



Overseas eligibility for social services payments – reduce to four weeks	
Party:	The Coalition
Summary of proposal:  The proposal would reduce the overseas eligibility for social services payments to 4 weeks for Australians.  The proposal would start on 1 July 2025.	
Additional information (based on further advice provided): <ul style="list-style-type: none"><li>• The proposal would reduce the overseas eligibility period from 6 weeks to 4 weeks.<ul style="list-style-type: none"><li>– Payments currently with an overseas eligibility period of longer than 6 weeks, such as the age pension, would not be affected.</li></ul></li><li>• Youth Allowance would be an exception if the recipient is studying overseas.</li><li>• The proposal would be ongoing.</li></ul>	

## Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$74.1 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in administered expenses that is partially offset by a small decrease in personal income tax revenue.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

**Table 1: Overseas eligibility for social services payments – reduce to four weeks – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	17.4	18.2	18.9	19.5	74.1
Underlying cash balance	17.4	18.2	18.9	19.5	74.1

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

## Uncertainties

The estimated financial impacts of the proposal are sensitive to assumptions about the affected population and the number of overseas trips taken by those recipients across the medium term.

The Parliamentary Budget Office (PBO) has assumed no behavioural response from recipients to the proposal. However, recipients may change their pattern of overseas trips to maintain their payments.

The magnitude of this response is uncertain and difficult to quantify due to a lack of relevant data and research.

Owing to data limitations, the PBO has not included in this costing any potential savings associated with changes to the Pension Supplement under the proposal.<sup>1</sup> Pension Supplements are relatively small and, as such, any underestimate in savings resulting from this would be marginal.

## Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The number of overseas trips taken by payment recipients would move in line with population projections provided by the Treasury and were based upon information as at 2023-24 provided by the Department of Social Services (DSS).
- When the affected recipients return to Australia their payment would recommence immediately.
- There would be no behavioural change in response to this policy.
- The average tax rate across recipients would be around 2% over the entire costing period, informed by DSS administrative data.
- There would be no additional departmental costs under the proposal.
- The proportion of Youth Allowance (Student) recipients who travel overseas to study would be similar to 2023-24.
- The proportion of Jobseeker, Youth Allowance, Austudy and Special Benefit trips that would be for approved purposes would be similar to 2023-24.

## Methodology

Administered expenses were estimated by multiplying the expected number of overseas trips by the average fortnightly payment<sup>2</sup> for each payment type as per *Key Assumptions*. Average fortnightly payments were grown based on DSS projections over the forward estimates and the PBO's *Build Your Own Budget* tool over the medium term.

Personal income tax revenue was estimated as per *Key Assumptions*.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>3</sup>

## Data sources

DSS provided the number of recipients by payment type and the corresponding average fortnightly entitlement for those who were out of the country between 4-6 weeks during the 2023-24 financial

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<sup>1</sup> Under current arrangements, the maximum Pension Supplement is reduced to the basic Pension Supplement after an absence from Australia of more than 6 weeks, as long as the recipient remains eligible for their income support payment. The proposal would have an impact on Pension Supplement, but data on Pension Supplement is not separately identifiable from the data on the primary payment and, as such, this policy impact is not included in the costing.

<sup>2</sup> DSS advised that these average fortnightly payments were reported as at the date the recipient had been overseas for 4 weeks. These rates may not reflect the duration of their period overseas.

<sup>3</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

year and the projected average payment rates for each payment over the forward estimates as at the 2025-26 Budget.

The Treasury provided population projections as at the 2025-26 Budget.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

PBO (2025) *Build Your Own Budget*, Parliamentary Budget Office.

## Attachment A – Overseas eligibility for social services payments – reduce to four weeks – Financial implications

**Table A1: Overseas eligibility for social services payments – reduce to four weeks – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Revenue</b>													
<i>Personal income tax</i>	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-1.6	-4.8
<b>Expenses</b>													
<i>ABSTUDY</i>	..	..	..	..	..	..	..	..	..	..	..	..	0.1
<i>Austudy</i>	..	..	..	..	..	..	..	..	..	..	..	..	0.1
<i>Carer Payment</i>	11.4	11.9	12.4	12.8	13.3	13.9	14.5	15.0	15.6	16.2	16.9	48.5	153.9
<i>Jobseeker Payment</i>	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.8	2.5
<i>Parenting Payment Partnered</i>	2.5	2.7	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.6	3.7	10.9	34.2
<i>Parenting Payment Single</i>	3.6	3.7	3.8	3.9	4.1	4.2	4.4	4.5	4.7	4.9	5.1	15.0	46.9
<i>Special Benefit</i>	..	..	..	..	..	..	..	..	..	..	..	..	0.1
<i>Youth Allowance (Other)</i>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	1.1
<b>Total – expenses</b>	<b>17.8</b>	<b>18.6</b>	<b>19.3</b>	<b>19.9</b>	<b>20.7</b>	<b>21.5</b>	<b>22.4</b>	<b>23.1</b>	<b>24.1</b>	<b>25.1</b>	<b>26.1</b>	<b>75.7</b>	<b>238.9</b>
<b>Total (excluding PDI)</b>	<b>17.4</b>	<b>18.2</b>	<b>18.9</b>	<b>19.5</b>	<b>20.3</b>	<b>21.1</b>	<b>22.0</b>	<b>22.6</b>	<b>23.6</b>	<b>24.6</b>	<b>25.6</b>	<b>74.1</b>	<b>234.1</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

**Table A2: Overseas eligibility for social services payments – reduce to four weeks – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b><i>Fiscal balance</i></b>	0.4	1.2	2.1	3.0	4.0	5.1	6.3	7.6	9.0	10.5	12.1	6.7	61.3
<b><i>Underlying cash balance</i></b>	0.3	1.0	1.8	2.8	3.8	4.8	6.0	7.3	8.6	10.1	11.7	5.9	58.2

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>4</sup>.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

<sup>4</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)